# Mind Over Money: The Influence of Psychological Dynamics in Shaping Retirement Planning Behaviour among Salaried Employees

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#### <u>Abstract</u>

This study explores how psychological factors, including attitude, future time perspective, locus of control, risk tolerance, and goal clarity, influence retirement planning behaviour among salaried employees. Using structured questionnaires, primary data was collected from 306 salaried employees across three universities in the Jammu region of the Union Territory and Jammu and Kashmir. The data were analyzed using Exploratory Factor Analysis (EFA), Confirmatory Factor Analysis (CFA), Structural Equation Modeling (SEM), One-way Analysis of Variance (ANOVA), and t-tests. The findings reveal that psychological factors significantly and directly impact retirement planning behaviour. However, the study is limited to three universities due to time and resource constraints. Future research could expand to universities across Jammu and Kashmir and other sectors such as banking and insurance. This research offers novel insights into retirement planning by highlighting the crucial role of psychological factors in shaping salaried employees' behaviour. The findings have implications for employers, government agencies, researchers, practitioners, and policymakers, providing valuable guidance for initiatives aimed at improving retirement planning awareness and effectiveness.

**Keywords:** *Retirement, salaried employees, goal clarity, attitude, psychological factors* 

### **Introduction and Review of Literature:**

The career journey of employees, whether in the government or private sector, concludes with the inevitable event known as retirement. Retirement planning is when an individual withdraws from their occupational position (Kim & Feldman, 2000). Ideally, this planning is a life-long endeavour and is most effective when initiated at a younger age (Robison & Moen, 2000). Retirement is complex, necessitating a broad perspective for comprehensive understanding. Thorp et al. (2013) argue that while retirement is a future event, its planning must occur in the present to ensure sufficient savings for the future. Retirement planning involves financial strategies such as saving, investing, and distributing money to sustain oneself during retirement (Kilty and Behling, 1986). It can encompass various schemes like pension funds, medical insurance, and real estate investments (Batra, 2013; Lal & Singh, 2022).

The attitude of employees towards retirement significantly influences their decisions and preparedness for this phase. Retirement must be perceived as a personal experience, a process involving withdrawal from work, and a societal institution that shapes the perception that older employees should make way for younger counterparts due to the perception that older individuals are less competent and efficient. Employees who neglect retirement saving plans are often unaware of post-retirement economic and financial aspects, while some individuals commence retirement planning at a younger age. The attitude towards retirement is substantially influenced by economic factors, such as having pensions, Medicare plans, and social security programs, contributing to a more positive attitude and better retirement

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preparedness. Employees with significant savings during their old age view retirement more positively, as they are shielded from economic challenges in their post-retirement life. Financial literacy enhances the efficiency of employees in planning for their future.

Several forces, including taxation policies, life expectancy, income levels, and savings, influence an employee's ability to accumulate wealth for retirement. Additionally, age and gender significantly affect retirement planning behaviour. Research by Lusardi and Mitchell (2007) indicates that employees who actively plan for retirement tend to accumulate more wealth compared to those who do not plan. Encouraging individuals to plan for their post-retirement life is crucial for ensuring a content and fulfilling retirement. Thus, retirement planning is pivotal to every employee's life journey.

# **Research Gap**

In this study, a review of existing research reveals diverse areas researchers explored in retirement planning. Financial literacy and retirement planning have been subjects of investigation by Almenberg & Save-Soderbergh (2011), Lusardi et al. (2011), Agnew & Thorp (2012), Lusardi & Mitchell (2007), and Mullock & Turcotte (2012). Some researchers have delved into the determinants of retirement planning and employee attitudes towards it, such as Grable & Lytton (1997), Heenkenda (2016), Loibl et al. (2009), Joo & Pauwels (2002), Bett et al. (2015), and Mustafa et al. (2017). Gender differences in preferences related to retirement planning have been explored by Croson & Gneezy (2009), Doda (2014), Kissau et al. (2012), and Richardson (1999). Studies on the psychological foundations of financial planning for retirement and psychosocial factors in retirement intentions and adjustment have been conducted by Hershey et al. (2007) and Topa & Alcover (2015), while late-career decisionmaking has been examined by Furunes et al. (2015).

Conceptual studies have touched on various aspects, including the perception of individuals towards retirement planning (Soni et al., 2017), the perception of tax concessions in retirement savings decisions (Jordan & Treisch, 2010), the influence of future time perspective, financial knowledge, and financial risk tolerance on retirement saving behaviours (Jacobs-Lawson & Hershey, 2005; Moorthy et al., 2012). Few empirical studies based on secondary data have been conducted by Natoli (2018), Hershey et al. (2010), Kock & Yoong (2011), Power & Hira (2004), Stromback et al. (2017), Turner et al. (2005), and Zappala et al. (2008). However, these studies exhibit limited geographical coverage and focus on specific retirement planning aspects among salaried employees.

The literature indicates a noticeable shift in employee preferences towards saving for the future, driven by factors such as tax savings, fund safety, and improved living standards post-retirement (Jordan & Treisch, 2010). This changing attitude necessitates a thorough exploration of demographic and socio-economic variables influencing employee behaviour regarding life after retirement. Furthermore, understanding the psychological factors contributing to this shift in saving patterns worldwide is crucial. Importantly, there is a gap in empirically tested relationships between psychological factors and retirement planning. Therefore, there is a compelling need for a systematic and comprehensive study to evaluate the impact of psychological factors on the retirement planning behaviour of salaried employees, addressing the gaps identified in the existing literature.

The objectives of this study are:

• **Impact of Psychological Factors:** Explore and analyze the influence of psychological factors on the retirement planning behaviour of salaried employees, focusing on how attitudes, beliefs, and cognitive processes shape decisions and actions related to retirement planning.

• **Perception Differences:** Examine significant differences in the perception of retirement planning among salaried employees by understanding variations in perspectives, attitudes, and awareness regarding its importance and approaches within the employee population.

# **Hypotheses Formulation:**

Psychological factors that influence the retirement planning behaviour of salaried employees are attitude toward retirement, future time perspective, locus of control, financial risk tolerance, and clarity of retirement goals. In a narrow sense, attitude refers to one's perception of any object, person, or idea. It means outlook toward life and many other aspects of life. It also influences an individual's retirement planning behaviour. Studies by Moorthy et al., 2012 Tomar et al. 2021; Turner et al., 1994; Noone et al., 2010 Lal & Singh, 2022 and Gordon (1994) concluded that perception towards retirement is directly and positively associated with planning regarding retirement. Future time perspective is another psychological factor that affects planning regarding retirement. It identifies the extent to which a person can visualize the future period. Hershey et al. (2010) and Griffin et al. (2012) observed that some people are less involved in future planning activities because they are more focused on getting the current reward than saving for the future. Locus of control is another psychological factor influencing retirement planning. It is a characteristic of an individual by which he/she associates his/her success or failure to either himself/or some external factor. Depending on the nature of the association, there could be internal locus of control as well as external locus of control. People with an external locus of control believe fate, luck, and destiny govern their lives.

In contrast, people with an internal locus of control perceive their lives positive and negative events as consequences of their own actions. Glass and Kilpatrick (1998) concluded that women show more external locus of control. Stawski et al. (2007) and Hershey et al. (2007) found that goal clarity is another psychological factor affecting employees' retirement planning behaviour. Thus, it is hypothesized that:

- H1: Psychological factors like attitude, future time perspective, locus of control, risk tolerance, and goal clarity have a direct and significant impact on the retirement planning of salaried employees.
- H2: Significant variations exist among salaried employees in their approach to retirement planning.

# **Research Design and Methodology:**

Objective: The primary objective of this study is to assess the impact of psychological factors on the retirement planning behaviour of salaried employees, specifically focusing on those working in the higher education sector in the Jammu region.

Sampling and Sector Selection:

- Pilot Survey: Initially, a pilot survey was conducted in three sectors: higher education, banking, and insurance. Due to a low response rate in the banking and insurance sectors, the higher education sector in Jammu was selected for the main study.
- Final Sample: The study focuses on Assistant Professors, Associate Professors, Professors, and Librarians in three universities: the University of Jammu, Cluster University of Jammu, and Central University of Jammu. The final sample comprises 306 respondents, with an effective response rate of 79.27%.

## **Data Collection:**

- Primary Data: Data was collected through a structured questionnaire, which was distributed to employees in the higher education sector.
  - Sampling Technique: Purposive sampling was employed to select participants.
  - Response Rate: Out of 386 distributed questionnaires, 311 responses were received. After rejecting five incomplete responses, the final sample size was 306 respondents.
- Secondary Data: Data obtained from a thorough literature review contributing to the generation of scale items related to retirement planning.
  - Scale Items: The scale comprises 45 items, with 10 items related to general information, 15 items focusing on retirement planning, and 20 items associated with psychological factors. Relevant literature sources were consulted to create the scale items.

### Literature Review for Scale Items:

- General Information (10 items): Referenced from studies by Robinson et al. (2017), Sigler (1989), Masran and Hassan (2017), Heenkenda (2016), Jain (2017), Whitehouse (2009), Wata et al. (2015), Williamson & Shaffer (2001), Groth-Marnat (1999), Friedman & Schnurr (1997), and Menon (2010).
- Retirement Planning (15 items): Derived from studies by Robison & Moen (2000), Mutran et al. (1997), Bengtson (2001), Kim & Feldman (2000), Kumar et al. (2019), and Murari et al. (2021).
- Psychological Factors (20 items): Informed by studies by Moorthy et al. (2012), Singh and Kumar (2014), Gabriela and Alcover (2015), Sarchielli et al. (2008), Wata et al. (2015), Robison & Moen (2000), Mutran et al. (1997), Bengtson (2001), Kim & Feldman (2000), Kumar et al. (2019), and Murari et al. (2021).

This comprehensive research design and methodology aim to provide a detailed understanding of the psychological factors influencing retirement planning behaviour among salaried employees in the higher education sector of the Jammu region.

### **Statistical Techniques Used:**

1. Exploratory Factor Analysis (EFA):

Purpose: To identify the underlying factors and patterns within the collected data.

Application: Used in the initial phase of data analysis to explore the relationships among variables and identify latent constructs.

2. Confirmatory Factor Analysis (CFA):

Purpose: To confirm the structure and relationships among factors identified through EFA. Application: Applied to validate the factor structure obtained in EFA and assess how well the chosen model fits the observed data.

3. Structural Equation Modeling (SEM):

Purpose: To examine and model complex relationships between observed and latent variables.

Application: Used to test hypotheses and explore psychological factors' direct and indirect effects on retirement planning behaviour among salaried employees.

4. One-Way Analysis of Variance (ANOVA):

Purpose: To assess whether there are any statistically significant differences in means

among different groups.

Application: Employed to analyze variations in retirement planning perceptions among different salaried employees, such as job positions or demographic categories.

5. Independent Sample t-test:

Purpose: To compare means between two independent groups.

Application: Utilized to assess if there are significant differences in retirement planning between distinct groups of salaried employees based on variables like gender or other relevant categories.

These statistical techniques collectively provide a robust framework for analyzing the collected data, purifying the scales, and testing the relationships and differences identified in the study. The combination of EFA and CFA ensures a rigorous examination of underlying factors. At the same time, SEM allows for a more comprehensive understanding of the interplay between psychological factors and retirement planning behaviour. Additionally, ANOVA and t-tests help uncover group differences, contributing to a nuanced interpretation of the study findings.

### Normality Assessment:

Graphical Analysis: Quantile-Quantile (Q-Q) Plot:

Purpose: To visually assess whether the data follows a normal distribution.

Application: Q-Q plot provides a graphical representation by comparing the observed quantiles of the data with the expected quantiles of a normal distribution. A straight line in the plot suggests normality.

Numeric Methods: Skewness and Kurtosis:

Purpose: To quantitatively measure the asymmetry and the tailedness of the distribution.

Application:

- Skewness: A measure of the asymmetry in the data distribution.
- Kurtosis: A measure of the tailedness or thickness of the distribution's tails.

Results:

i. Skewness Value: -0.301

*Interpretation:* The skewness value falls within the acceptable range of  $\pm 1$ , indicating a reasonably symmetrical distribution.

ii. Kurtosis Value: 0.530

*Interpretation:* The kurtosis value is within the acceptable range of  $\pm 3$ , suggesting that the distribution has a moderate level of tailedness.

**Conclusion:** Both graphical and numeric assessments of normality indicate that the data in this study approximates a normal distribution. The Q-Q plot shows a straight line, and the Skewness and Kurtosis values fall within acceptable ranges. These results suggest that the assumption of normality is reasonable for the statistical analyses conducted in this study, ensuring the reliability of subsequent inferential statistics.

### Data Analysis and Discussion:

The data analysis for this study was conducted under five main sub-heads, focusing on different statistical techniques:

(i) Exploratory Factor Analysis (EFA) for Scale Purification:

#### The Business Review Vol.28, No. 2, July – Dec. 2024

Objective: To summarize the total data into a minimum number of factors.

Methodology: EFA was conducted using Principal Component Analysis with Varimax Rotation.

(ii) Confirmatory Factor Analysis (CFA):

Objective: To confirm the factor structure obtained through EFA.

Methodology: CFA validated the factor structure and assessed model fit.

(iii) Structural Equation Modelling (SEM):

Objective: To explore and model the complex relationships between observed and latent variables.

Methodology: SEM was utilized to test hypotheses and understand psychological factors' direct and indirect effects on retirement planning behaviour.

(iv) One-Way-ANOVA:

Objective: To analyze variations in retirement planning perceptions among different groups.

Methodology: Employed to assess if there are significant differences in retirement planning based on factors such as job positions or demographics.

(v) Independent Sample t-test:

Objective: To compare means between two independent groups.

Methodology: Utilized to assess if there are significant differences in retirement planning between distinct groups of salaried employees based on variables like gender or other relevant categories.

Utilizing a comprehensive set of statistical techniques allows for a thorough examination of the data, ensuring both reliability and validity in understanding the impact of psychological factors on retirement planning behaviour among salaried employees.

(i) Exploratory Factor Analysis (EFA) for Scale Purification:

To summarise the total data into a minimum number of factors, Exploratory Factor Analysis was employed (EFA). EFA was conducted using Principal Component Analysis with Varimax Rotation.

A criterion for Retention: Statements with factor loadings less than 0.5 and Eigenvalues less than one were excluded.

Psychological Factors: The suitability of raw data for psychological factors was assessed using the Kaiser-Meyer-Olkin (KMO) value, Bartlett test of sphericity, and p-value (Field, 2000).

Data Processing: Five rounds of data processing resulted in the deletion of seven items due to factor loadings below 0.5.

Outcome: Six factors were identified, comprising 13 statements out of the original 20 in the domain of psychological factors. The variance explained was 77.215%, with a KMO value above 0.836 and a Bartlett value of 1260.442. Factor loadings ranged from .601 to 0.857.

A brief description of factors that emerged is as follows:

Factor Analysis Results:

Factor 1: Perception

Items:

- 1. Satisfaction of employees from the efforts done by the organization in planning the retirement of the employees
- 2. Employees' perception plays an important role in planning retirement.

Mean Values: Ranged from 2.50 to 3.72

Factor Loadings: Ranged from .743 to .816

Communalities: Ranged from .651 to .747

*Interpretation:* Employee satisfaction and perception significantly influence retirement planning.

Factor 2: Risk and Uncertainty

Items:

- 1. Risk has a relation with retirement planning
- 2. Investment uncertainty negatively affects retirement decisions.

Mean Values: Ranged from 3.51 to 3.67

Factor Loadings: Ranged from .602 to .928

Communalities: Ranged from .806 to .880

Interpretation: Risk and uncertainty significantly affect retirement planning.

Factor 3: Future Perspective

Items:

- 1. Employees considering retirement a threat to economic freedom are more likely to plan for retirement.
- 2. Future time perspective, i.e., how far into the future one can visualize, impacts planning.

Mean Values: Ranged from 3.32 to 3.84

Factor Loadings: Ranged from .805 to .717

Communalities: Ranged from .755 to .876

*Interpretation:* Employees who perceive retirement as threatening economic freedom are more likely to plan.

Factor 4: External Influence

Items:

- 1. People with an external locus of control are more likely to plan for retirement than others.
- 2. External influence from coworkers affects retirement planning.

Mean Values: Ranged from 3.32 to 3.82

Factor Loadings: Ranged from .807 to .875

Communalities: Ranged from .806 to .853

*Interpretation:* External influence, especially from coworkers, significantly affects retirement planning.

Factor 5: Goal Clarity

Items:

- 1. Individual goals have an impact on retirement planning.
- 2. Goal clarity is a significant determinant while planning for retirement.
- 3. Persons with risk-taking abilities are less likely to plan for retirement.

Mean Values: Ranged from 2.86 to 4.39

Factor Loadings: Ranged from .610 to .709

Communalities: Ranged from .523 to .786

Interpretation: Goal clarity is a significant determinant in retirement planning.

### Factor 6: Attitude

# Items:

- 1. Employees' attitude towards retirement impacts retirement planning.
- 2. Employees develop a negative attitude as they come near retirement age.

Mean Values: Ranged from 2.68 to 3.42

Factor Loadings: Ranged from .726 to .897

Communalities: Ranged from .769 to .854

*Interpretation:* An employee's attitude, especially as retirement age approaches, plays a crucial role in planning.

### **Reliability**:

- Cronbach's reliability coefficients for all 13 items across six factors ranged from .557 to .935.
- Alpha reliability coefficients for Factor 4 (External Influence) were .789, surpassing the recommended limit of .77.
- Alpha reliability for other factors ranged from .539 to .738, indicating acceptable internal consistency.

**Conclusion**: The factor analysis results provide a detailed understanding of the impact of psychological factors on retirement planning behaviour. Each factor highlights specific aspects, such as perception, risk, future perspective, external influence, goal clarity, and attitude, contributing to the overall comprehension of the relationship between psychological factors and retirement planning among salaried employees. The reliability analysis further ensures the internal consistency of the factors identified in the study.

Validity Assessment:

The six factors obtained alpha reliability exceeding 0.50 and a satisfactory KMO value of 0.836, indicating significant construct validity of the psychological factors on retirement planning behaviour (Heir et al., 1995).

(ii) Confirmatory Factor Analysis (CFA):

To confirm the factor structure obtained through EFA. CFA was employed to validate the factor structure and assess model fit.

- EFA identified six factors: perception, risk and uncertainty, future perspective, external influence, goal clarity, and attitude.
- Three factors (future perspective, goal clarity, and attitude) were dropped due to regression weights below 0.50.
- Second-order CFA was performed on three remaining factors: perception (F1), risk and uncertainty (F2), and external influence (F4).

CFA Results:

The model was deemed reliable and valid after eliminating factors with regression weights below 0.50.

- ➢ Fit indices: CMIN/DF = 4.15, GFI = .938, AGFI = .922, TLI = .908, CFI = .984, RMR = .035, and RMSEA = .089.
- > The model was found to be valid and reliable, with an alpha value of .830.
- Composite reliability was 0.86, indicating the reliability of all items.
- > The model demonstrated validity with an AVE of 0.61.

Conclusion: The construct validity of the psychological factors on retirement planning behaviour was established through alpha reliability and KMO value. The CFA results further confirmed the reliability and validity of the model, ensuring that the retained factors (perception, risk and uncertainty, external influence) accurately represent the underlying psychological dimensions impacting retirement planning among salaried employees. The model's fitness indices and reliability metrics support its applicability in understanding the relationship between psychological factors and retirement planning behaviour.



#### Figure 1: CFA MODEL FOR PSYCHOLOGICAL FACTORS\*

\*Source: Data analysis

Note:-F1= Perception, F2= Risk and uncertainty, F4= External influence, PF11= Satisfaction of employees from retirement planning, PF13= Employees perception plays important role in planning, PF5= Risk has relation with retirement planning, PF7= Investment uncertainty negatively affects retirement planning, PF12= People with external locus of control are more likely to plan for retirement planning, PF2= External influence from coworkers affects retirement planning, and e1-e17 are error terms.

(iii). Structural Equation Modeling (SEM):

In order to explore and model the complex relationships between observed and latent variables. SEM was utilized, employing AMOS 16.0 as the primary tool to test hypotheses and understand psychological factors' direct and indirect effects on retirement planning behaviour. The final structural model comprises 11 indicators linked to an underlying theoretical construct reflectively. The structural model examined paths from psychological factors to retirement

planning. Upon testing the research model, the SEM results revealed a well-fitted model (refer to Figure 2), which was subsequently adopted as the final model for hypothesis testing. The goodness-of-fit indices for this model were as follows: CMIN/DF = 4.11, GFI = .931, AGFI = .906, NFI = .909, TLI = .915, CFI = .927, RMR = .035, and RMSEA = .089.





### \*Source: Data analysis

# **Hypotheses Testing Results:**

H1: Psychological factors like attitude, future time perspective, locus of control, risk tolerance, and goal clarity have a direct and significant impact on the retirement planning behaviour of salaried employees.

Hypothesis H1 posited that psychological factors, such as attitude, future time perspective, locus of control, risk tolerance, and goal clarity, exert a direct and significant influence on the retirement planning behaviour of salaried employees. The SEM analysis supported Hypothesis H1, demonstrating a significant relationship between these psychological factors and retirement planning behaviour ( $\beta = 0.66$ , p = 0.000). Thus, based on the findings derived from the tested model (see Figure 2), H1 is accepted, affirming the impact of psychological factors on retirement planning behaviour among salaried employees. This validation underscores the pivotal role of psychological factors in shaping individuals' approach to retirement planning within the salaried workforce. Understanding these influences can inform targeted interventions and strategies to promote more effective retirement preparedness among employees. Future research may delve deeper into the nuanced interplay of these psychological factors to refine interventions and enhance retirement planning outcomes.

(iv) One-way Analysis of Variance (ANOVA):

One-way ANOVA was applied to assess the factor-wise significant mean differences among the perceptions of employees regarding retirement planning based on various demographic variables (age, occupation, qualification, religion, and monthly income).

The ANOVA results indicate that there is a significant mean difference among the perceptions of employees based on age (F = 0.769, Sig. = 0.022), occupation (F = 0.132, Sig. = 0.041), religion (F = 3.011, Sig. = 0.030), and monthly income (F = 0.933, Sig. = 0.025). However, for qualification, the p-value is more than 0.05 (F = 1.861, Sig. = 0.227), indicating an insignificant

mean difference among the perceptions of employees regarding retirement planning based on qualification.

# (5) Independent Sample t-test:

The results of the independent sample t-test reveal an insignificant mean difference in the perception of male and female respondents regarding retirement planning to psychological factors. With a p-value exceeding 0.05, insufficient statistical evidence supports a significant difference between the mean scores of male and female respondents. Thus, the null hypothesis, suggesting no disparity in mean scores between genders, cannot be convincingly rejected based on the collected data. Consequently, these findings suggest no substantial gender-based divergence in the study participants' perception of psychological factors pertaining to retirement planning. Further, the independent sample t-test results indicate a lack of significant mean difference in the perception of retirement planning between married and unmarried employees, with a p-value exceeding 0.05. Although married respondents exhibit slightly higher Satisfaction, reflected in their mean score of 3.48 compared to unmarried respondents' mean score of 3.45, this discrepancy does not reach statistical significance. Consequently, the t-test results suggest that marital status does not significantly influence the perception of psychological factors associated with retirement planning among the study participants.

### **Hypothesis Testing:**

The One-Way ANOVA and Independent Sample t-test results confirm that the hypothesis " Significant variations exist among salaried employees in their approach to retirement planning" is accepted for age, occupation, religion, and monthly income. However, it is rejected for qualification, gender, and marital status. Hence, the H2 is partially accepted.

### Findings of the Study:

- 1. Structural Equation Modeling (SEM) results indicate that psychological factors like attitude, future time perspective, locus of control, risk tolerance, and goal clarity directly and significantly impact retirement planning behaviour among salaried employees.
- 2. ANOVA results highlight significant mean differences in the perception of retirement planning based on age, occupation, religion, and monthly income. However, qualification does not show a significant mean difference.
- 3. The results of the independent sample t-test suggest that marital status does not significantly influence the perception of psychological factors associated with retirement planning among salaried employees.
- 4. Specific items in the survey reveal a lack of Satisfaction among employees regarding the efforts made by the organization in planning for retirement.
- 5. The study suggests that individuals with an external locus of control are more likely to plan for retirement than others.
- 6. Employee attitude and goal clarity are identified as significant factors influencing retirement planning.
- 7. There is no significant mean difference between male and female employees or married and unmarried employees regarding retirement planning.
- 8. Knowledge about investment schemes is found to have a significant relationship with retirement planning behaviour.
- 9. The higher education sector is criticized for failing to organize employee awareness programs.

10. Different demographic characteristics lead to varying perceptions of retirement planning.

# **Strategic Implications:**

- 1. The higher education sector should enhance efforts to create financial awareness among employees, utilizing print and electronic media to disseminate retirement planning information.
- 2. The government should consider introducing more tax concessions for the salaried class to encourage investments.
- 3. Special attention should be given to the financial planning of female and unmarried employees, including education on constructing a balanced investment portfolio.
- 4. Employees are advised to maintain contingency funds equivalent to 3-6 months of expenses to handle unforeseen situations.
- 5. Regular monitoring of investment plans is recommended for optimal performance.
- 6. Employee education on the benefits of diversification as a risk management tool is essential.
- 7. Working individuals should set clear and achievable goals for retirement planning, and professional advice should be sought when needed.
- 8. Knowledgeable individuals should share their retirement planning expertise with colleagues for mutual benefit.
- 9. Life and health insurance plans are strongly recommended for financial security.
- 10. Inflation should be considered when planning for retirement, and investment strategies should be adjusted accordingly.
- 11. Risky investments should be approached with caution, considering the employee's age.
- 12. Addressing minor issues is crucial to avoid more significant financial problems.

These recommendations aim to improve financial literacy, enhance retirement planning, and ensure the well-being of salaried employees.

# Limitations and Directions for Future Research:

### Limitations:

- 1. Geographical constraint: The study's focus on three universities in the Jammu division may limit the applicability of findings to other regions within Jammu and Kashmir or the broader country context due to potential regional variations.
- 2. Occupational focus: By solely examining the perceptions of university teachers and librarians, the study may overlook valuable insights from other employee categories within universities or from different professional sectors.

# **Directions for Future Research:**

- 1. Expand geographically: Including universities from diverse regions within Jammu and Kashmir and beyond would offer a more representative sample, enhancing the generalisability of findings.
- 2. Diversify occupations: Incorporating perspectives from various professional sectors beyond academia could provide a broader understanding of retirement planning attitudes and behaviours.

- 3. Conduct comparative analysis: Comparing retirement planning perceptions between public and private sector employees may uncover nuances influenced by employment nature and benefits.
- 4. Include additional demographics: Exploring perceptions across organizational hierarchies and job roles could offer insights into how retirement planning varies among diverse employee groups.
- 5. Utilize qualitative methods: Integrating qualitative approaches like interviews or focus groups alongside quantitative data can provide deeper insights into the underlying factors shaping retirement planning decisions.
- 6. Longitudinal studies: Tracking changes in retirement planning perceptions over time through longitudinal research can capture evolving trends and responses to socio-economic factors.
- 7. Intervention studies: Evaluating the effectiveness of financial education interventions on retirement planning awareness and behaviour among employees can inform targeted interventions to improve retirement preparedness.

By addressing these suggestions in future research, the researchers can enhance the scope and depth of understanding related to retirement planning perceptions, contributing valuable insights to academia and practical applications.

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